

## ***T. SPIRITUAL WORLD LIMITED***

### **Board of Directors**

Mr. B. Singh	Whole Time Director
Mr. M. Sharma	Director
Mr. A.K. Jain	Director
Mr. A. A. Sisodia	Director
Mr. R. Singh	Director
Mr. M. K. Bothra	Director

### **Registered Office**

Suite No. 18, 2 India Exchange Place  
Kolkata - 700 001

### **Company Secretary**

Ms. S. Srivastava

### **Bankers**

HDFC Bank  
Oriental Bank of Commerce

### **Auditors**

Messers R. K. Doshi & Associates.  
*Chartered Accountants*  
Kolkata

### **Registrar & Transfer Agent**

Bigshare Services (P) Ltd.  
E-2, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (E), Mumbai – 400 072.

## ***T. SPIRITUAL WORLD LIMITED***

### **NOTICE**

**NOTICE** is hereby given that the 19<sup>th</sup> Annual General Meeting of T. Spiritual World Limited will be held on Thursday, 3<sup>rd</sup> November, 2005 at 10:00 A. M. at Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055 to transact the following business:

#### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30<sup>th</sup> June, 2005 and the Balance Sheet as at that date together with Reports of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. A. K. Jain who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration.

#### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

**“RESOLVED THAT** Mr. Rajendra Singh who was appointed as an additional Director of the Company pursuant to Sec 260 of the Companies Act, and hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.

5. To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

**“RESOLVED THAT** Mr. Manoj Kumar Bothra who was appointed as an additional Director of the Company pursuant to Sec 260 of the Companies Act, and hold office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 257 of the Companies Act, 1956, in writing proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company subject to retirement by rotation under the Articles of Association of the Company.

## ***T. SPIRITUAL WORLD LIMITED***

6. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

**“RESOLVED that** pursuant to section 94 and other applicable provisions, if any, of the Companies Act, 1956, the authorised capital of the company be and is hereby increased from Rs.29,00,00,000 (Rupees Twenty Nine Crores) divided into 14,50,00,000 (Fourteen Crores Fifty Lakhs) equity shares of Rs.2/- each to Rs.31,00,00,000 (Rupees Thirty One Crores) divided into 15,50,00,000 (Fifteen Crores Fifty Lakhs) equity shares of Rs.2/- each by creation of an additional 1,00,00,000 (One Crore) equity shares of Rs.2/- each ranking pari-pasu with the existing equity shares and consequently the existing clause V of the Memorandum of Association be altered accordingly.

7. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED that** the Memorandum of Association of the Company be altered in the following manner

“The Authorised Share Capital of the Company is Rs.31,00,00,000 (Rupees Thirty One Crores) divided into 15,50,00,000 (Fifteen Crores Fifty Lakhs) equity shares of Rs.2/- each.”

8. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED that** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, its existing article No. 4 of Articles of Association of the Company be and is hereby altered by substituting the following new Article No. 4 in its place and stead.”

The Authorised Share Capital of the Company is Rs.31,00,00,000 (Rupees Thirty One Crores) divided into 15,50,00,000 (Fifteen Crores Fifty Lakhs) equity shares of Rs.2/- each.

9. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution:

**“RESOLVED that** pursuant to Section 81 (1A) and other applicable provisions of the Companies Act, 1956, Article 128 of Articles of Association of the Company and subject to guidelines prescribed by the Securities and Exchange Board of India (SEBI) in this behalf, and such other appropriate authorities, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which expression shall be deemed to include a Committee of Directors duly authorised in this behalf), for the capitalisation of Rs.2,00,02,000 out of such of the free reserves of the Company including share premium account as on 30<sup>th</sup> June 2004, for the issue of bonus shares and accordingly the aggregate of such sums be hereby set free for distribution among the eligible holders of the existing equity

## ***T. SPIRITUAL WORLD LIMITED***

shares of Rs.2/- each whose names stand on the Register of the Members on such record date/ book closure as may be fixed by the Board after obtaining necessary approvals from the appropriate authorities, and that the same be applied in paying up in full such number of new equity shares of Rs.2/- each to be allotted and distributed as fully paid bonus shares to and amongst the said members in the proportion of one bonus share for every ten existing equity share held by such member.

**“RESOLVED FURTHER that** no fractional certificate shall be issued to the members in respect of their respective fractional entitlement of bonus shares but all the fraction remaining after allotment of the bonus shares which shall be allotted at the discretion of the Directors to any person or persons in trust for the benefit of those members who are entitled to fractional entitlement of bonus shares, for the purpose of selling such consolidated full bonus shares as soon as possible in the market and that the net sale proceeds of such consolidated full bonus share after deducting their from the cost, charges and expenses of sale, shall divided and distributed proportionately amongst those members who would be entitled to fractional entitlement of such full bonus shares.”

**“RESOLVED FURTHER that** the Bonus Shares to be issued as above will be allotted in accordance with SEBI guidelines, if any, in force at the relevant time”.

**“RESOLVED FURTHER that** the Bonus Shares to be issued credited as fully paid-up as aforesaid, shall be subject to provisions contained in the Articles of Association of the Company and shall rank *pari passu* in all respects with existing issued equity shares of the Company. ”

**“RESOLVED FURTHER that** no allotment letters shall be issued to the allottees of Bonus Shares and that the certificate(s) in respect of these shares shall be completed and thereafter be dispatched to the allottees thereof within the period prescribed or that may be prescribed in this behalf from time to time except in respect of those allottees who are holding shares in dematerialised form”.

**“RESOLVED FURTHER that** the allotment of Bonus Shares as aforesaid, to non-resident members shall be subject to the approval of the Reserve Bank of India under the Foreign Exchange Regulation Act, 1973 and such other regulations as may be applicable”.

**“RESOLVED FURTHER that** for the purpose of giving effect to this resolution and for removal of any difficulties, the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, and things as may be required in this regard.”

10. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

**“RESOLVED that** pursuant to the provision of section 293 (1) (d) and other applicable provision if any, of the Companies Act 1956, consent be and is hereby accorded to the Board of Directors of the Company to borrow the such sum or sums of money in any manner from time to time as may

## ***T. SPIRITUAL WORLD LIMITED***

be required for the purpose of the business of the Company with or without securities and upon such terms and conditions as they may deem fit notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say that the money so borrowed and outstanding at any time shall not exceed a sum of Rs.50.00 Crores (Rupees Fifty Crores Only)."

11. To consider and, if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution:

**"RESOLVED that** pursuant to Sec.293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company to mortgage and / or charge all or any part of movable / immovable properties of the Company, wheresoever situate both present and future and whole or part of the undertakings of the Company of every nature and kinds whatsoever and/or creating a floating charge in all or any movable / immovable properties of the Company and the Company together with power to take over the management of the business and concern of the Company in certain events, to or in favour of banks, financial institution, other investing agencies or any other Landers of debentures trustee, to secure the amount borrowed / to be borrowed by the Company from time to time, for the due payment of the principle together with interest cost, charges, expenses and all other monies payable by the company in respect of such borrowings up to a maximum of Rs.50.00 Crores (Rupees: Fifty Crores Only)."

By Order of the Board  
**For T. Spiritual World Limited**

Place : Kolkata  
Date : 4.10.2005

Savita Srivastava  
**(Company Secretary)**

### **NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company.
2. Members who are holding Company's shares a Dematerialized form are required to bring details of their depository account number for identification.
3. Proxies in order to be effective must be received at the Company's registered office at Suite No.18, 2 India Exchange Place, Kolkata – 700 001 not less than 48 hours before the time fixed for the meeting.
4. Register of Members and Share Transfer Books shall remain closed from 28.10.2005 to 03.11.2005 (Both days inclusive).
5. Members are informed that the amount of Unclaimed Dividend shall be liable to be transferred by

## ***T. SPIRITUAL WORLD LIMITED***

the company to the Investor Education and Protection Fund of the Central Government if it remains unpaid to the shareholders for a period of seven year as per the amended Section 205A of the Companies Act 1956.

6. Member are requested to kindly notify immediately change if any in their address to the Company.
7. Explanatory statement as required u/s 173(2) of the companies act, 1956 in respect of Item No. 4 to 11 is annexed and forms parts of this notice.
8. Shareholders desiring any information as regards the accounts are requested to write to the company at least seven days in advance of the date of the meeting so as to enable the information to be kept ready.

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

#### Item No.4

Mr. Rajendra Singh was appointment as an Additional Director of the Company with effect from 7<sup>th</sup> March 2005 holds office only upto the date of the forthcoming Annual General Meeting of the Company but being eligible offers himself for appointment. In terms of Section 257 of the Companies Act, 1956 the Company has received Notice in writing along with the required deposit from a Member signifying his intention to propose the candidature of Mr. Rajendra Singh for the office of the Director.

The Board recommends the resolution for the approval of members.

Except for Mr. Rajendra Singh no other Director is in any way concerned or interested in the Resolution under Item No.4.

#### Item No.5

Mr. Manoj Kumar Bothra was appointment as an Additional Director of the Company with effect from 7<sup>th</sup> March 2005 holds office only upto the date of the forthcoming Annual General Meeting of the Company but being eligible offers himself for appointment. In terms of Section 257 of the Companies Act, 1956 the Company has received Notice in writing along with the required deposit from a Member signifying his intention to propose the candidature of Mr. Manoj Kumar Bothra for the office of the Director.

The Board recommends the resolution for the approval of members.

Except for Mr. Manoj Kumar Bothra no other Director is in any way concerned or interested in the

## ***T. SPIRITUAL WORLD LIMITED***

Resolution under Item No.5.

Item No.6, 7 & 8

In order to accommodate the proposed fresh issue of bonus equity shares, it is necessary for your Company to increase the Authorised Share Capital from Rs.29,00,00,000 (Rupees Twenty Nine Crores) divided into 14,50,00,000 (Fourteen Crores Fifty Lakhs) equity shares of Rs.2/- each to Rs.31,00,00,000 (Rupees Thirty One Crores) divided into 15,50,00,000 (Fifteen Crores Fifty Lakhs) equity shares of Rs.2/- each by creation of an additional 1,00,00,000 (One Crore) equity shares of Rs.2/- each ranking pari passu with the existing equity shares.

In terms of section 16 and section 31 and other applicable provision, if any, of the Companies Act, 1956, any amendment to the Memorandum & Articles of Association of the Company, requires approval of members by way of special resolutions.

Your Directors recommend the resolution as contained in Item No. 6 to 8 for consideration and approval of members. None of the Directors of the Company are, in any way concerned or interested in the resolution.

Item No. 9

The Board of Directors of your Company passed the proposal in their meeting held on 5<sup>th</sup> May 2005, after detail consideration and have decided to issue bonus, whose names appear in the Register of Members of your Company as on the Record / Date Book Closure to be fixed in consultation with Stock Exchanges where shares of your Company are listed. As you are aware that, upon the recommendation of the Directors the Company may resolve to capitalize any undivided profit of the Company standing to the credit of any reserve & surplus account and including premium account for issue of bonus shares. The paid up capital of your Company at present is Rs.20,00,20,000/- and the Reserves & Surplus (including share premium) stood at Rs.2,48,46,455/- as on 30.06.2004. The Directors of your Company in order to bring the share capital to a level commensurate with the total capital employed in the Company and also taking into account the size of its operations and future growth have decided to issue bonus shares in the proportion of one equity shares for every ten equity share held. The proposed issue is in conformity with the guidelines issued by SEBI.

The new shares to be issued as Bonus Shares will be subject to the provisions contained in the Memorandum & Article of Association of your Company and shall rank pari passu in all respect with the existing equity shares of your Company.

Your Directors recommend the Special Resolution for approval of members. None of the Directors of the Company are, in any way concerned or interested in the resolution.

## ***T. SPIRITUAL WORLD LIMITED***

### Item No. 10

It has been proposed that the Board of Directors of the Company be authorized to borrow moneys from time to time that may exceed the aggregate paid up capital of the Company and its free reserves but which shall not exceed Rs.50.00 Crores (Rupees Fifty Crores Only) at any time, consent of the members is therefore sought in terms of the provision section 293 (1) (d) of Companies Act 1956.

Your Directors recommend the Ordinary Resolution for approval of members. None of the Directors of the Company are, in any way concerned or interested in the resolution.

### Item No. 11

The Board is also of the opinion that the borrowing will be required to supplement the need for the finance for company's activities and for diversification of business purpose. The borrowing will be made from the lending institutions and / or other sources in a manner following, however, the appropriate guidelines issued by the authority / authorities by the time being inforce. Further creation of any mortgage / charge if needed in connection with the borrowings, will require the consent of the Company in general meeting under section 293 (1) (a) of the Act.

Your Directors recommend the Ordinary Resolution for approval of members. None of the Directors of the Company are, in any way concerned or interested in the resolution.

COPIES OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION AND OTHER RELEVANT PAPERS ARE AVAILABLE FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY DURING THE BUSINESS HOURS.

# ***T. SPIRITUAL WORLD LIMITED***

## **DIRECTOR'S REPORT TO THE SHAREHOLDERS**

Dear Shareholder,

Your Directors are pleased to present the 19<sup>th</sup> Annual Report together with the Audited Statement of Accounts and the Auditors Report of your company for the year ended 30<sup>th</sup> June 2005. The Financial highlights for the year under review are given below:

### **Financial Results**

	<b>(Rs.in Lacs)</b>	
	30 <sup>st</sup> June, 2005	30 <sup>st</sup> June, 2004
Total Income	5399.64	5253.68
Profit Before Depreciation and Tax	204.44	115.30
Depreciation	59.71	44.56
Profit Before Taxation	144.73	70.74
Provision for Tax	(36.64)	(3.38)
Profit after Tax	108.09	74.12
Add: Balance of Profits for earlier years	170.25	96.13
Balance available for Appropriation	278.34	170.25

### **DIVIDEND**

The profit available is required to be conserved to meet the capital expenditure diversification of business and other statutory dues. As such your directors express their inability to recommend payment of any dividend for the financial year ended on 30.06.2005 (Previous Year - Nil) on Equity Shares for the financial year 2004-05.

### **PERFORMANCE**

Your Directors are pleased to inform you that your company is successfully sustaining the growth. The financial results of the year ended 2004 are extremely encouraging for your company. Your Company's Total Revenue has increased from Rs. 5253.68 lacs in 2004 to Rs. 5399.64 lacs during 2005. The Net Profit generated by the company during the year under review is Rs. 108.09 lacs, as compared to the previous years Rs.74.12 lacs, registering a growth of 45.83 percent.

## ***T. SPIRITUAL WORLD LIMITED***

### **FUTURE OUTLOOK**

Over 100 crore Indians collectively spend more than Rs. 100,000 crore on healthcare, including alternative medicine and therapies. A survey by India Today reveals that at least 6 out of 10 people in urban India are looking for alternative solutions for everyday problems. Americans spend \$48 billion a year on alternative therapies. This sector in India is widely unorganized and there are no large professional companies to tap this business opportunity. This is where TSW comes in.

Your company successfully executed orders during the year and foresees a large business opportunity in the area of Managed Services. With skilled manpower, years of experience, database and applications, the company is now poised to offer its Managed Services to medium and large organisations.

The company has taken major initiatives in restructuring its business, with a greater focus and thrust in improvement of operational efficiencies and reduction of costs. Your directors are of the opinion that considering the sound order booking position and the various initiatives that are under way, the company's operational performance is expected to be better in the current financial year, barring unforeseen circumstances.

As the company has diversified into the spirituality sector and intends to set-up various business divisions. These divisions will be set up in a phased manner.

Your company has planned to acquire education & health care and its allied products business from SB Education & Health Care Ltd. at a consideration of Rs.7.50 crores. The payment would be partly in the form of cash and partly in form of equity offering. With this, the company has also set in motion the process of accretion to its net worth. The 2005 financial result demonstrated the financial strength and the customer relationships of the company to serve with increased confidence.

Your company had already started its portal and receiving encouraging public response. The Company aims to provide spiritual solace to thousands via alternative medicine and therapies in a professional and organized manner. TSW wants to reach out through a network of Spiritual World outlets all over India. These unique outlets will showcase quality spiritual products including herbal products, publishing material, and accessories.

The outlets will also feature trained personnel to provide holistic healing using therapies like Reiki, Ayurveda, Acupuncture, Meditation & services like Astrology, Vaastu Shastra, Counselling & special Spiritual discourses.

TSW is developing a spiritual resort in Mehrauli, New Delhi apart from setting-up R & D Center. The resort will have vast panel of Consultants like Yoga teachers & therapists, etc, and tie up for publication of spiritual / motivational books. The company has developed meditation & yoga package, i.e., "Wonder", which is a unique concept to relieve an individual from all ailments & stress in short time.

## ***T. SPIRITUAL WORLD LIMITED***

### **DIRECTORS**

In accordance with the provision of the companies Act 1956, Mr. A. K. Jain, Director of the company retires by rotation and eligible for reappointment.

Mr. Rajendra Singh and Mr. Manoj Kumar Bothra were appointed as Additional Directors by the Board of Directors of the company. Your Directors welcome them on Board.

### **AUDITORS & AUDITORS OBSERVATIONS**

M/s R. K. Doshi & Associates, Chartered Accountants, Kolkata the auditors of the company who hold office until the conclusion of the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

The observations of the Auditors as referred to in the Auditor's Report are suitably explained in the notes to the account.

### **CORPORATE GOVERNANCE**

Your company has always strived to incorporate appropriate standards for good corporate governance. Being a listed company, necessary measures are taken to comply with the listing requirements with the stock exchange. A separate report on corporate governance alongwith a certificate of compliance from the auditors forms part of the report.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

In compliance with the provisions of clause 49 of the listing agreement with the stock exchange, detailed review of the operations, performance and future outlook of the company is annexed hereto.

### **HRD INITIATIVES**

It is the endeavour of the company to create in its employees a sense of belonging, and an environment that promotes openness, creativity and innovation. All our manpower initiatives are implemented with the aim of maximizing productivity and aligning organizational needs with employees aspirations. Your Company plans to take requisite steps by bringing in the essential professionals and infrastructure to provide solutions and integrate systems for transacting business across the Internet.

The provision of section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 are not applicable to the Company.

### **FIXED DEPOSITS**

The company has not accepted any deposit since incorporation and, as such, no amount of principal or interest was outstanding on the date of Balance Sheet.

## ***T. SPIRITUAL WORLD LIMITED***

### **DIRECTORS RESPONSIBILITY**

Your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 30<sup>th</sup> June 2005 and of the profit of your company for that period;
- (iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors have prepared the annual accounts on a going concern basis.

### **TECHNOLOGY, R&D AND FOREIGN EXCHANGE**

The provisions of Section 217(1)(e) of The Companies Act, 1956, with regard to conservation of energy and technology absorption are not applicable to the company. The company has not incurred any expenditure or earned any income in foreign exchange during the period under review.

### **ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation of the contributions made by the employees at all levels, whose continued commitment and dedication helped the company achieve better results. The Directors also wish to thank customers, bankers, Central and State Governments for their continued support. Finally your directors would like to express their sincere & whole-hearted gratitude to all of you for your faith in us in your Co-operation & never failing support.

By Order of the Board  
**For T. Spiritual World Limited**

Place : Kolkata  
Date : 4.10.2005

A. K. Jain  
**(Director)**

# ***T. SPIRITUAL WORLD LIMITED***

## **ANNEXURE TO THE DIRECTORS' REPORT**

### **A. CONSERVATION OF ENERGY**

The operations of your company are not energy intensive. Your Company evaluates on an on-going basis new technologies and techniques to make infrastructure more energy efficient. Investments are made on a continuous basis to reduce energy consumption.

Adequate measures have been taken to reduce energy consumption. Efforts are being made on an on-going basis to conserve and optimise the use of energy in regular operations by introducing state-of-art equipment for consumption of energy.

### **B. RESEARCH AND DEVELOPMENT**

#### **a) The Company's R&D Effort**

To enhance its capability and customer service, the company continues to make investment in R&D. The R&D activities are carried out in-house in the e-business solutions, knowledge management, Software development, etc.

#### **b) Benefits of R&D Efforts**

The benefits of R&D have led to improved performance due to upgradation of existing knowledge. The R&D have resulted in direct benefits in improved productivity and customer service.

#### **c) Future Plan on R&D**

The on-going process of R&D will be directed towards creation of new software tools and utilities, development of advanced techniques and process and will help in the development of the company. The company will continue to leverage new technologies and upgrade existing performance. This will enable the company to introduce and implement new technology to meet changing market.

#### **d) Expenditure on R&D**

NIL

### **C. FOREIGN EXCHANGE EARNING AND OUTGO**

During the year, the company made consistent efforts to increase its foreign exchange earnings. The total foreign exchange earning of the company was Nil whereas the outgo was Nil during the financial year.

# ***T. SPIRITUAL WORLD LIMITED***

## **ANNEXURE TO THE DIRECTORS' REPORT:**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **COMPANY PROFILE**

T. Spiritual World Ltd., as the name suggests, envisions itself to be the complete destination for spiritual products and services throughout the world. The Company initially started from Kolkata but now has offices in Mumbai and Delhi also. The company is a successfully managed and profit making public limited company.

The Company has diversified into the spirituality sector, by setting up various business divisions. These divisions will be set up in a phased manner and not all at the same time. Also the Company plans to establish a trust that will set up and manage a Children welfare center that will cater to the underprivileged children.

#### **Business Units**

- ❖ *Software Development & IT* – It currently operates in the area of software products and solutions segment of the Indian Software Industry. It provides software solutions to clients across various industries including both manufacturing and service industries.
  
- ❖ *Spiritual Website* - This portal will be dedicated to the pursuit of enhancing the health and connectivity between the mind, body, and spirit by offering information, services, and a place to learn and perform various religions, practices and therapies.
  
- ❖ *Spiritual Store* - This Specialty Retail Store will provide consumers with access to reading materials, health and well-being resources, and clothing.
  
- ❖ *Spiritual Education & Training* - The Spiritual Education & Training division work to hold Preksha meditation camps at the resort, provide treatments using Preksha Dhyana and train people to become teachers of Preksha Dhyana.
  
- ❖ *Spiritual Publishing* - The Spiritual Publishing division will be dedicated to the publishing and distribution of the books, audiotapes / CDs, videotapes / CDs which will be all about inspiring a person to live a healthy, balanced and fulfilling life.

## ***T. SPIRITUAL WORLD LIMITED***

- ❖ *Spiritual Clinic* - The Spiritual Clinic will be a primary care clinic planned to provide all services as required for the point of contact clinic for a defined mental, emotional, physical or spiritual condition to be treated using alternative and complementary medicine.
  
- ❖ *Spiritual TV Channel* - The Spiritual Channel will be a TV channel covering religious and spiritual programs and also programs on subjects which give inner peace, enhances mental power, imbibe discipline, concentration and devotion and makes the people aware of the higher values of life.
  
- ❖ *Spiritual Resort* - Through a variety of classes, workshops and consultations a visitor of the resort will be able to focus on health issues, combating stress, weight management or a variety of other wellness concerns.
  
- ❖ *Children Welfare Center (Through a trust)* - It will be engaged in a gamut of activities, from educating children to giving them a healthy and fulfilling environment so that the child does not really go without amenities.

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The 21<sup>st</sup> century is the era of Electronics and Information Technology and has been branded as the age of IT Developments. Surprisingly, Indian I.T Professionals are regarded as the best in the present day International market. The Government of India has targeted the Exports of Software's and other IT products as the Trust Area and many Companies have been established to reap benefit of the opportunities present. Your Company is one of leading company in the country and has a wide scope to prosper in this country.

As the Company has diversified into the spirituality sector, by setting up various business divisions, the future of this sector is also promising. The future of the Company is very bright in so far as the Indian spiritual industry has become global and T. Spiritual World has its own role to play.

## ***T. SPIRITUAL WORLD LIMITED***

**Scenario of Spiritual Sector** - According to the information collected from internet.

- **In 1993, national survey found that alternate therapies play a significant role in U.S. health care. Since then, alternate therapies have increasingly attracted the attention of medical doctors and researchers as well as public, media and Government. In fact the use of alternate therapies has increased substantially in U.S and in India.**
- More than 70% to 90% of physicians consider alternate therapies, such as diet, yoga, meditation, exercise, behavioral medicine, counseling and psychotherapy and hypnotherapy to be legitimate medical practices.
- Approximate 80 % of medical students and 70% of family physicians are interested in receiving training in multiple areas of alternate therapies including meditation and yoga
- In any year, 69% of Americans use at least one type of alternate therapy.
- Due to high market demand, at least 67% of health insurance companies cover alternate therapies.
- Chiropractic, acupressure, homeopathy, herbal therapies and mind body techniques, among alternate therapies are offered at 64% of US medical schools.
- Approximately 57% of physicians have referred patients to alternate therapy professionals.
- It has been shown that 56% of Americans believe that their health plans should cover alternate therapies.
- Estimates place the size and value of the alternate therapies market at \$ 24 billion, a figure projected to increase at the rate of 15% per year.
- The National Institute of Health in America invests about \$ 40 million per year in alternate therapies related research.
- **Based on the popularity and growth of alternate therapies in U.S., the American Medical Association (AMA) ranked alternate therapy medicine among the top 3 subjects for main stream medical journals to address in the coming years.**
- **Surveys say that alternate medicine therapy is prevalent for spiritual and health development**
- It is gathered that there are numerous alternate therapies that support the relief of different health problems. The most prevalent conditions of alternate therapy patients included neck, back and digestive problems, headaches, depression and anxiety. The most common therapies included relaxation techniques, herbal, ayurvedic, massage, chiropractic, spiritual healing, acupressure,

## ***T. SPIRITUAL WORLD LIMITED***

aromatherapy, naturopathic and nutritional supplements.

- There are several social, cultural and personal factors including health, beliefs, attitudes and motivational factors that influence a person's decision to use alternate therapies. It has been found that significant numbers of people undergo various alternate therapies because majority of patients feel that alternate therapies are more closely tied to their own values and beliefs. Alternate therapy patients tend to hold philosophies towards health and life which can be described as holistic. In other words, the majority of alternate therapies users believe that the body, mind and spirit all play a crucial role in maintaining proper health. Additionally, it is also found that many alternate therapies patients seem to be disappointed with conventional medicine because they felt this type of health care tends to focus on illness and symptoms instead of health promoting treatments.

### **OPPORTUNITY AND THREAT**

Your Company's products and services enjoy wide acceptance in various user industries. Yet in the ever changing corporate and technology developments, every company is required to update one's system of operation. The dynamic and energetic infusion in company's management team is capable of utilizing every opportunity for the company's benefit.

### **OUTLOOK**

Barring a few unforeseen, the company is confident to maintain its growth rate and it is definite to accelerate with higher and higher quality services to its customers. In order to attain high growth, the future strategy will be the following:

- ❖ Focus – quality service delivery and customer relationship management
- ❖ Cross selling of products and services across divisions - taking advantage of synergies
- ❖ Hire effective, efficient and experienced people
- ❖ Brand building of the umbrella brand through aggressive promotions
- ❖ Strong management, customer focused staff and excellent financial control
- ❖ Promotion of spiritual and medical tourism in international countries

### **RISK AND CONCERNS**

Unregulated entry of small time operators having no or little technology base may spoil the goodwill of the

## ***T. SPIRITUAL WORLD LIMITED***

Indian IT industry in the international market. The attention of the Central Government has already been drawn to such possible threats and the Government has already taken necessary regulatory steps to maintain overseas and international acceptance of Indian supremacy in IT sector.

The company may also face competition from small time operators having no or little technology base may affect the goodwill of the spiritual sector nationally and internationally.

### **RESEARCH AND DEVELOPMENT**

The company is in the process of setting up a state-of-art research system to be manned by widely experienced professionals to develop new and value-added services to cater various industrial, academic and research needs of the country.

### **HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATION**

The company continues to maintain excellent industrial relation while ensuring development of its human resources through appropriated training and further educational programs. The company believes that its employees are the real strength of the organization.

### **CAUTIONARY STATEMENT**

Statements made in the management discussion and analysis describing the Companies' objectives, expectations or predications may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement important factors that influence the Company's operations, include global and domestic supply and demand conditions.

## ***T. SPIRITUAL WORLD LIMITED***

### **CORPORATE GOVERNANCE**

#### **Company's Philosophy on code of Governance :**

The philosophy of the Company on corporate governance envisages the attainment of high levels of transparency accountability and equity, in all facets of its operations and in all its interactions with stakeholders, including the shareholders, employees, the government and lenders. The Company maintains the highest business ethics and complies with all statutory and regulatory requirements.

The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholders value over sustained of time

#### **Board of Directors :**

Presently, the Board consist Six Directors namely Mr. B. Singh, Mr. M. Sharma, Mr. A. A. Sisodia, Mr A. K. Jain, Mr. R. Singh & Mr. M. K. Bothra out of which five directors are non-executive directors. Thus the non-executive directors are more than 50% of the total number of directors. The Company has non-executive Chairman and more than one third of the total number of Directors is independent Directors. None of the Director on the Board is a member of more than 10 committees and Chairman of more than 5 committees.

During the year under review, Nine Board meeting were held, the dates being 29.07.2004, 30.09.2004, 29.10.2004, 06.11.2004, 20.01.2005, 07.03.2005, 28.04.2005, 05.05.2005 and 24.06.2005 during the financial year 2004 – 2005. The meeting of the Board of Directors are generally held once in a quarter and are scheduled well in advance. A detailed agenda in prepared by the Company Secretary in consultation with the Whole-time Director, which is circulated, to the members of the Board in advance

The attendance of the Directors at the Board Meetings, Annual General Meeting, as also member of Directorship in Indian public limited Companies and membership of the committees of the Boards of such Companies are as follows.

## ***T. SPIRITUAL WORLD LIMITED***

### **Number of Directorship held:**

<b>Name of Director</b>	<b>Category</b>	<b>No.of Board Meeting Attended</b>	<b>Attendance at Last A GM</b>	<b>No. of other Directorships</b>	<b>NO. of other Committee Membership</b>
Mr. B. Singh	Whole Time Director	9	Yes	1	Nil
Mr. M. Sharma	Director	9	Yes	2	2
Mr. A.K. Jain	Director	9	Yes	4	4
Mr.S.Otawat Resigned on 07.03.2005	Director	1	No	Nil	Nil
Mr.A. A. Sisodia	Director	7	Yes	1	1
Mr. Rajendra Singh w.e.f 07.03.2005	Director	2	No	1	1
Mr. M. K. Bothra w.e.f. 07.03.2005	Director	2	No	2	2

Particulars about the Directors who are retiring by the rotation and eligible for reappointment have been given in the notice.

### **Share Holders / Investors Grievances Committee:**

The Company has constituted the shareholders / investor grievance committee comprising of Mr. M. Sharma, Mr. B. Singh, and Mr. Alam Ali Sisodia. The committee has appointed Mr. A. A. Sisodia as the Chairman of shareholders / investor grievance committee. The committee approves and monitors transfers, transmission sub – division consolidation of shares issued by the Company. The committee also monitors redresses replies to investors complaints queries and requests relating to transfer of shares, Non receipt of Annual reports, etc. During the year the committee met 6 times with all the members attending the meeting. The committee has sort out all complaints queries received from shareholders / investors during the year ended 30.06.2005.

## ***T. SPIRITUAL WORLD LIMITED***

### **Audit Committee:**

The Company has a qualified Audit committee comprising of three non-executive independent Directors. The terms of reference of the committee are in accordance with the provision of the Companies Act 1956, the requirements of the RBI and of the listing agreement with the stock exchange. The present members of the Audit committee are Mr. A. K. Jain, Mr. M. Sharma, and Mr. A. A. Sisodia. Mr. A. K. Jain, Chairman of the Audit Committee. He has vast knowledge of finance and accounting. The Audit Committee met four times viz., 29.09.2004, 28.10.2004, 19.01.2005, 27.04.2005

The Company complies with the provision of section 292A of the Companies Act 1956, as well as per listing agreement pertaining to the Audit committee and it's functioning. The scope of the Committee includes:

- a) To Review of the quarterly, half yearly and annual results
- b) To review with the management and statutory auditors the annual financial statements before submission to the Board.
- c) To Review the Company financial and risk management policies
- d) To consider such other matters as may be required by the Board
- e) To hold periodical discussions with statutory Auditors on the scope and content of the audit

### **Remuneration:**

Terms of reference of the remuneration committee includes, short-term and long-term plans, approving HR policies, processes and practices relating to human resources, succession planning for senior management personnel, review and approve compensation policy, etc. The remuneration policy of the company is based on the track record, potential and performance of its employees.

All the members of remuneration committee are non-executive Directors. During 2004 -2005, the remuneration Committee met four times and all the members of the Committee were present in each of four meeting.

### **Remuneration of Director**

The remunerations of the non-executive Directors of the Company is decided by the Board of Directors. During the year the Company has not paid remuneration to any of the Non-executive Directors. The details

## ***T. SPIRITUAL WORLD LIMITED***

of remuneration of Mr. Baldev Singh (Whole-time Director) is as under:

Whole-time Director

<b>Name of Director</b>	<b>Salary cum Allowances</b>	<b>Stock Benefits</b>	<b>Service Contract Tenure</b>
Mr. B. Singh	72000/-	Nil	3Year

### **General Body Meeting:**

Details of location and time of last three Annual General Meetings and one Extra Ordinary General Meeting are as follows:

<b>Year</b>	<b>AGM / EGM</b>	<b>Date</b>	<b>Time</b>	<b>Place</b>
2004 – 2005	AGM	27.12.2004	10.00 A. M.	Shivam Conference Hall, B-267 Bangur Avenue, Kolkata – 700 055
2003 – 2004	EGM	23.02.2004	4.30 P. M.	Suite No.18, 2 India Exchange Place, Kolkata – 700 001
2002-2003	AGM	29/12/2003	11.30 A.M.	Suite No.18, 2 India Exchange Place, Kolkata – 700 001
2001-2002	AGM	26/11/2002	11:30 A.M.	P – 193, Bangur Avenue, Block – B, Kolkata – 700 055

No special Resolution was put through postal ballot last year nor is it proposed to put any special resolution to vote through postal ballot.

### **Disclosure**

It has not been any non-compliance with the regulations; no penalties or strictures have been imposed on the company by the stock exchanges, SEBI or any other statutory authority on any matter relating to the capital markets during the last three years.

There are no significant transaction with the related parties namely / promoters or the management or relative that may have a conflicting with the interest of the Company.

## ***T. SPIRITUAL WORLD LIMITED***

### **Means of Communication**

The quarterly results of the company are published in leading English/ Bengali (regional) newspapers.

### **General Share Holder Information:**

1. Compliance Officer Ms. Savita Srivastava, Co.Secretary  
Suite No.18, 2 India Exchange Place, Kolkata – 700 001
2. Annual General Meeting
  - a. Date & Time 03.11.2005 at 10.00 A.M.
  - b. Venue Shivam Conference Hall, B-267 Bangur Avenue,  
Kolkata – 700 055
  - c. Financial Calendar 1<sup>st</sup> July to 30<sup>th</sup> June  
Quarterly Results

First Quarter	October 2005
Second Quarter	January 2006
Third Quarter	April 2006
Fourth Quarter	July 2006
  - d. Date of Book Closure 28.10.2005 to 03.11.2005
  - e. Listing on Stock
    1. The Calcutta Stock Exchange Association Limited, Kolkata
    2. The Stock Exchange, Mumbai

Listing fees in respect of all the above Stock Exchange have been paid for the year 2005 –2006
  - f. Stock Code 532444 (At BSE)  
15091 (At CSE)
  - g. Demat ISIN in NSDL & CDSL for equity shares INE54IC01029
  - h. Registrar and Share Transfer Agent (For Physical & Dmat Segment)  
Bigshare Services Pvt.Ltd.  
E/2, Ansa Ind. Estate, Sakivihar Road,  
Sakinaka, Andheri (E), Mumbai – 400 072  
Tel. : 28560652 Fax : 28525207

## ***T. SPIRITUAL WORLD LIMITED***

- i. Dividend No dividend has been recommended by the Board of Directors for the FY 2004-05
- j. Market Price data high, low, during each month in last financial year is given below

<b>Months</b>	<b>High</b>	<b>Low</b>
July 2004	27.85	14.40
August 2004	18.60	9.70
September 2004	26.00	15.05
October 2004	48.00	15.00
November 2004	38.00	24.25
December 2004	35.40	20.05
January 2005	35.00	6.50
February 2005	9.85	4.40
March 2005	6.95	3.45
April 2005	4.78	3.70
May 2005	5.16	2.02
June 2005	3.25	1.65

### **Share Transfer System:**

All physical shares lodged with the share transfer agent M/s Bigshare Services Pvt. Ltd, Mumbai for transfer accompanied by valid transfer deeds are processed and returned to the shareholders with in the stipulated period. In case of bad deliveries the relevant documents are returned promptly.

### **Dematerialisation of Shares:**

86.30% (approx) of Total equity share capital is held in d-materialization form with NSDL & CDSL as at 30<sup>th</sup> June 2005. Members can hold shares in electronic form and trade the same in depository system. However they may hold in same in physical form also

## ***T. SPIRITUAL WORLD LIMITED***

### **Distribution of Shareholdings**

#### **Categories of Shareholders as on 30.06.2005:**

<b>Category</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>	<b>% of Equity Capital</b>
Promoters	12	1,83,30,670	18.33%
Other Bodies Corporate	639	2,88,11,807	28.81%
Individual / Others	12,783	5,28,67,523	52.86%
<b>Total</b>	<b>13,434</b>	<b>10,00,10,000</b>	<b>100.00%</b>

#### **Distribution of Shareholdings as on 30.06.2005**

<b>No. of Equity Share held</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>No. of Shares</b>	<b>% of Shares</b>
1 – 5000	11,348	84.48%	1,94,00,280	19.40%
5001 –10000	1,077	8.02%	89,37,412	8.94%
10001 – 20000	547	4.07%	82,94,461	8.29%
20001 – 30000	157	1.17%	39,94,680	3.99%
30001 – 40000	77	0.57%	26,94,409	2.69%
40001 – 50000	49	0.36%	23,13,721	2.31%
50001 – 100000	94	0.70%	66,97,875	6.70%
100001 - above	85	0.63%	4,76,77,162	47.68%
<b>Total</b>	<b>13,434</b>	<b>100.00%</b>	<b>100010000</b>	<b>100.00%</b>

## ***T. SPIRITUAL WORLD LIMITED***

**R. K. DOSHI & ASSOCIATES**

Chartered Accountants

To the members of

**T. Spiritual World Limited**

We have examined the compliance of conditions of Corporate Governance by T. Spiritual World Limited for the year ended 30<sup>th</sup> June 2005, as stipulated in Clause No.49 of the listing agreement of the said company with stock exchanges. The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in clause 49 of the above-mentioned listing agreement.

As required by the guidance note issued by the institute of Chartered accountants of India, we have to state that while the share holders / investors grievance Committee has not maintained records to show the investors grievance pending for a period of one month against the company, the registrars of the Company have certified that as at 30<sup>th</sup> June 2005, there were no investors grievances remaining unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R. K. Doshi & Associates**  
(Chartered Accountants)

Place : Kolkata  
Date: 29<sup>th</sup> August 2005

R. K. Doshi  
(Proprietor)

# ***T. SPIRITUAL WORLD LIMITED***

**R. K. DOSHI & ASSOCIATES**

Chartered Accountants

## **AUDITORS' REPORT**

To  
The Members of  
M/s. T. Spiritual World Limited

We have audited the attached Balance Sheet of M/s. T. Spiritual World Limited Kolkata as at 30<sup>th</sup> June, 2005, Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4-A) of the Companies Act, 1956, we enclosed in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above:
  - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our Audit.
  - b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books.
  - c) The attached Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet, the Profit and Loss Account and cash flow statement dealt with this report comply with the Accounting Standard referred to in section 211 (3C) of the Companies

## ***T. SPIRITUAL WORLD LIMITED***

Act, 1956 to the extent applicable.

- e) On the basis of written representations received by us from the directors of the Company as at 30<sup>th</sup> June 2005 and taken on record by the Board of Directors. We report that non of directors are disqualified as on 30<sup>th</sup> June 2005 from being appointed as director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies, Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India: -
- (i) In the case of the Balance Sheet, of the State of Affairs of the Company as at 30<sup>th</sup> June, 2005 and
- (ii) In the case of Profit & Loss Account, of the Profit of the Company for the year ended on that date.
- (iii) In case of Cash-flow statement of the cash flows for the year ended on that date.

**For R. K. Doshi & Associates**  
*(Chartered Accountants)*

Place : Kolkata  
Date: 29<sup>th</sup> August 2005

R. K. Doshi  
(Proprietor)

# ***T. SPIRITUAL WORLD LIMITED***

## **ANNEXURE TO AUDITORS' REPORT**

### **REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE:**

1. In respect of its fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physically verification.
  - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physically verification of inventory as compared to the book records.
3. In our opinion and according to the information and explanations given to us, there is no loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence the requirement of Clause (iii) of paragraph 4 of the order is not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the company and nature of its business for purchase of inventory, fixed assets and also for sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transaction covered under section 301 of the Companies Act, 1956:
  - a. In our opinion and according to the information and explanation given to us, the transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

## ***T. SPIRITUAL WORLD LIMITED***

- b. We are in absence of competitive quotations and comparable prices and having regards to the specialised nature of items purchased or sold, unable to comment upon the reasonable-ness of prices at which such transactions have been entered, having value exceeding Rs.500,000/- or more in the financial year under audit.
6. The Company has not accepted any deposit from the public to which the provision of Sec 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposit) Rules, 1975 apply
7. In our opinion, the company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 for any of the services rendered by the Company.
9. In respect of statutory dues:
  - a. According to the records of the Company, undisputed statutory dues including provident fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on 30<sup>th</sup> June 2005 for a period of more then six months from the date of becoming payable.
  - b. In our opinion and according to the information and explanations given to us, there is no disputed statutory dues pending before appropriate authorities.
10. The Company has not having any accumulated losses and has not incurred any cash losses during the financial year and the immediate preceding financial year covered by our audit.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the Company has not defaulter in repayment of dues to financial institutions, bank or debenture holder.
12. In our opinion and according to the information and explanations given to us no loans and advances have been granted by the Company on the basis of security by way or pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore clause 4 (xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. According to the information and explanation given to us, The Company is not dealing or trading in shares, securities, debentures and other investments.

## ***T. SPIRITUAL WORLD LIMITED***

15. The Company has not given any guarantees for loans taken by other from banks or financial institutions.
16. The Company has not raised any term loans during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we are of the opinion that the Company has not utilized the funds raised on short term basis towards long-term borrowings and investment and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debenture. Hence the requirement of Clause (xix) of paragraph 4 of the Order is not applicable to the Company.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanation given to us no fraud on or by the Company has been noticed or reported during the year.

**For R. K. Doshi & Associates**

*(Chartered Accountants)*

Place : Kolkata

Date: 29<sup>th</sup> August 2005

R. K. Doshi

(Proprietor)

## *T. SPIRITUAL WORLD LIMITED*

### BALANCE SHEET AS ON 30TH JUNE, 2005

	SCHEDULE	30th June' 2005 Rupees	30th June' 2004 Rupees
<b>SOURCES OF FUNDS</b>			
<b>SHARE HOLDERS' FUND</b>			
Share Capital	A	200,020,000	200,020,000
Reserve & Surplus	B	35,655,452	24,846,455
<b>TOTAL</b>		<u>235,675,452</u>	<u>224,866,455</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	C	16,448,969	18,919,692
Less: Depreciation		5,971,365	4,456,484
<b>NET ASSETS</b>		10,477,603	14,463,208
<b>INVESTMENTS</b>		<b>25,325,000</b>	<b>25,325,000</b>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories & Work in Progress	E	98,085,912	91,477,750
Sundry Debtors		42,757,730	42,126,859
Cash & Bank Balances		4,835,075	260,741
Loans & Advances		59,310,466	55,045,144
		204,989,183	188,910,494
Less: Current Liabilities & Provisions	F	5,116,334	3,832,247
<b>NET CURRENT ASSETS</b>		<b>199,872,849</b>	<b>185,078,247</b>
<b>TOTAL</b>		<u><b>235,675,452</b></u>	<u><b>224,866,455</b></u>

As per our Report of even date

**For R. K. Doshi & Associates**

Chartered Accountants

R. K. Doshi  
(Proprietor)

**FOR AND ON BEHALF OF THE BOARD**

**For T. Spiritual World Limited**

Baldev Singh  
(Whole Time Director)

A. K. Jain  
(Director)

Place :Kolkatta  
Date : 29<sup>th</sup> August, 2005

S. Srivastava  
(Company Secretary)

## *T. SPIRITUAL WORLD LIMITED*

### **PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 30TH JUNE, 2005**

	SCHEDULE	30th June' 2005 Rupees	30th June' 2004 Rupees
<b>INCOME</b>			
Software Sales & Services	G	539,233,052	524,693,895
Other Income	H	731,321	674,145
		<b>539,964,373</b>	<b>525,368,040</b>
<b>EXPENDITURE</b>			
Purchases / Cost of Operation		503,781,619	502,376,985
Administration & Selling Exp.	I	15,738,111	11,461,205
		<b>519,519,730</b>	<b>513,838,190</b>
<b>Profit Before Depreciation</b>		<b>20,444,643</b>	<b>11,529,850</b>
Less: Depreciation		5,971,365	4,456,484
<b>Profit Before Taxation</b>		<b>14,473,278</b>	<b>7,073,366</b>
Less : Provision for Taxation		5,318,929	2,599,462
Provision for Deferred Taxation		(1,654,649)	(2,937,745)
<b>Profit After Taxation</b>		<b>10,808,998</b>	<b>7,411,649</b>
Add: brought forward from Previous Year		<b>17,024,786</b>	<b>9,613,137</b>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>27,833,784</b>	<b>17,024,786</b>
Notes to the Accounts	J		

As per our Report of even date

**For R. K. Doshi & Associates**

Chartered Accountants

R. K.Doshi  
( Propriitor )

**FOR AND ON BEHALF OF THE BOARD**

**For T. Spiritual World Limited**

Baldev Singh  
(Whole Time Director)

A. K. Jain  
(Director)

Place :Kolkatta  
Date : 29<sup>th</sup> August, 2005

S. Srivastava  
(Company Secretary)

## *T. SPIRITUAL WORLD LIMITED*

### SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

	30th June' 2005	30th June' 2004
	Rupees	Rupees
<b>SCHEDULE 'A'</b>		
<b>SHARE CAPITAL</b>		
<b><u>AUTHORISED CAPITAL</u></b>		
100,050,000 Equity Shares of Rs.2/-each	200,100,000	200,100,000
	<u>200,100,000</u>	<u>200,100,000</u>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP</u></b>		
100,010,000 Equity Shares of Rs.2/-each	200,020,000	200,020,000
	<u>200,020,000</u>	<u>200,020,000</u>
<b>SCHEDULE 'B'</b>		
<b>RESERVE &amp; SURPLUS</b>		
Share Premium	9,985,000	9,985,000
General Reserve	1,180,414	1,180,414
Profit & Loss Account	24,490,038	13,681,041
	<u>35,655,452</u>	<u>24,846,455</u>

#### **SCHEDULE 'C'**

	Cost as on	Addition	Sales Adj.	Total as on	Depreciation	Net Assets
<b>FIXED ASSETS</b>	<b>01.07.2004</b>	<b>During the</b>		<b>30.06.2005</b>	<b>for the year</b>	<b>30.06.2005</b>
		<b>year</b>				
Computers &						
Accessories	13969238	1046120	0	15015358	5796919	9218439
Furniture & Fixtures	493970	939641	0	1433611	174446	1259165
<b>Total</b>	<u>14463208</u>	<u>1985761</u>	<u>0</u>	<u>16448969</u>	<u>5971365</u>	<u>10477603</u>

## *T. SPIRITUAL WORLD LIMITED*

### SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT

			30th June' 2005	30th June' 2004
			Rupees	Rupees
<b>SCHEDULE 'D'</b>				
<b>INVESTMENTS</b>				
<b>Equity Shares (Quoted)</b>	<b>Face</b>	<b>No.of Shares</b>		
		<b>Value</b>		
Abhinav Home & Resorts Limited	10	200,000	2,500,250	2,500,250
ACE India Limited	10	125,000	1,205,500	1,205,500
Agarwal Holding Limited	10	65,000	800,590	800,590
Alert Petrogen Limited	10	6,000	60,000	60,000
B N Rathi Securities Ltd.	10	3,500	70,400	70,400
Belapur Industries Limited	10	10,000	123,800	123,800
Electra Finance Securities Ltd.	10	100,000	510,000	510,000
Ladderup Finance Limited	10	450,000	4,500,000	4,500,000
Lifestyle Fab Ltd.	10	120,000	1,050,000	1,050,000
Orissa Extrusion Ltd.	10	230,000	1,680,000	1,680,000
Sangam Health Care Product Ltd.	10	125,000	1,286,500	1,286,500
Santogen Export Ltd.	10	180,000	987,540	987,540
Santosh Fin Fab Limited	10	65,000	658,945	658,945
Relson India Limited	10	51,000	256,700	256,700
W.S.Industries Limited	10	22,000	234,775	234,775
 <b>Equity Shares (Unquoted)</b>				
Sujala Industrial & Supplying (P) Ltd	10	200,000	2,000,000	2,000,000
N. Deepak Finance & Invest. (P) Ltd	10	210,000	2,100,000	2,100,000
NDD Investment (P) Ltd.	10	55,000	550,000	550,000
Jhota Investment (P) Ltd.	10	175,000	1,750,000	1,750,000
Kishangarh Granites (P) Limited	10	300,000	3,000,000	3,000,000
			<b>25,325,000</b>	<b>25,325,000</b>

## ***T. SPIRITUAL WORLD LIMITED***

### **SCHEDULES FORMING PART OF BALANCE SHEET & PROFIT AND LOSS ACCOUNT**

	<b>30th June' 2005</b>	<b>30th June' 2004</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>SCHEDULE 'E'</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCE</b>		
<b>A) CURRENT ASSETS</b>		
<b>INVENTORIES</b>		
i) Finished Goods	70,731,520	66,203,170
ii) Work in Progress (Software Projects under Development)	27,354,392	25,274,580
<b>SUNDRY DEBTORS</b>		
(Unsecured Considered Good)		
less than six months	33,765,315	32,616,900
More than six months	8,992,415	9,509,959
<b>CASH AND BANK BALANCE</b>		
Cash in Hand &	4,835,075	260,741
Balance in Current A/c with Scheduled Banks		
<b>TOTAL (A)</b>	<b>145,678,717</b>	<b>133,865,350</b>
<b>B. LOANS &amp; ADVANCES</b>		
Unsecured Loan	6,939,230	6,209,975
(Unsecured considered good)		
Advances recoverable in cash or in kind or for the value to be received		
Advances (Others)	51,841,950	48,305,883
Income Tax & TDS	529,286	529,286
<b>TOTAL (B)</b>	<b>59,310,466</b>	<b>55,045,144</b>
<b>TOTAL (A + B)</b>	<b>204,989,183</b>	<b>188,910,494</b>

## *T. SPIRITUAL WORLD LIMITED*

	30th June' 2005 Rupees	30th June' 2004 Rupees
<b>SCHEDULE 'F'</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>A) CURRENT LIABILITIES</b>		
Creditors for Expenses	1,046,054	826,785
<b>B) PROVISIONS</b>		
For Taxation	5,318,929	2,599,462
For Deferred Tax	(1,248,650)	06,000
	<u>5,116,334</u>	<u>3,832,247</u>
<b>SCHEDULE 'G'</b>		
<b>INCOME FROM SOFTWARE SALES</b>		
Domestic Software Sales	359,443,010	374,054,130
Software Consultancy	17,393,163	11,857,680
Software System Services	22,645,018	10,645,290
Spiritual Software & Books Sales	139,751,861	128,136,795
	<u>539,233,052</u>	<u>524,693,895</u>
<b>SCHEDULE 'H'</b>		
<b>OTHER INCOME</b>		
Misc. Income	106,790	145,670
Interest Income	624,531	528,475
	<u>731,321</u>	<u>674,145</u>

## ***T. SPIRITUAL WORLD LIMITED***

	30th June' 2005	30th June' 2004
	Rupees	Rupees
<b>SCHEDULE 'I'</b>		
<b>ADMINISTRATIVE &amp; GENERAL EXPENSES</b>		
Advertisement Expenses	3,799,182	140,430
Auditors Remuneration	10,000	7,500
Bank Charges	1,036	4,360
Books & Periodicals	185,850	165,760
Conveyance & Travelling	832,154	754,100
Consultancy Fees	325,000	300,000
Directors Remuneration	72,000	72,000
Filing Fees	1,500	511,000
General Expenses	639,220	242,650
Listing Fees	84,000	75,000
Professional Fees	290,000	90,000
Postage & Courier	449,196	329,750
Printing & Stationary	398,910	334,650
Rent & Service Charges	636,700	630,000
Salary & Bonus	6,039,329	5,767,340
Selling & Distribution Expenses	893,500	864,750
Software Maintenance	512,860	678,620
Staff Welfare Expenses	218,520	170,575
Telephone & Connectivity Expenses	349,154	322,720
	<b><u>15,738,111</u></b>	<b><u>11,461,205</u></b>

## ***T. SPIRITUAL WORLD LIMITED***

### **SCHEDULE - 'J'**

#### **SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS:**

##### **(A) SIGNIFICANT ACCOUNTING POLICIES:**

1 a)The accounts of the Company are prepared on historical cost basis and on the accounting principle of a going concern.

a)The Company recognizes income on accrual basis income from Software Sale, Software Consultancy and Software System Services is recognized up on completion of the job.

c)In respect of other heads of income, the company follows the practice of accounting of such income on accrual basis.

2. a)Closing stock of software project/products under development and spiritual and its allied products as certified by company's technical expert and that of consumable has been valued at cost.

b) Finished goods i.e. Software Packages are valued at lower of cost or net realisable value.

3. a)Fixed Assets are stated at cost, which includes expenditure on installation / construction and preoperative expenses wherever applicable.

b)Depreciation on Fixed Assets is provided block-wise on written down value method as per rates prescribed in Schedule XIV to the Companies Act, 1956.

4. There has been no foreign exchange income or outflow during the year.

5. Investments are valued at cost.

6. No provision is made towards the Gratuity for the same will be accounted at the time of actual payment arise. Contributions to Provision for Leave Encashment are made on the basis of actuarial basis.

7. Provision for current tax is made on the basis of the estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

8. Provision for Deferred Tax is made using the liability method at the current rate of taxation on all timing difference & the extent that it is probable that a liability or assets will crystallize.

9. AS – 17 Segment Accounting Policies:

The Company has two reportable business segment i.e. Computer software & its allied services and Spiritual activities as per Accounting Standard 17 issued by the Institute of Chartered Accountants of India.

10. AS – 18 Related Party Information:

Pursuant to AS – 18 information on remuneration paid to key management personnel is given in the report on Corporate Governance under the heading remuneration to Whole-time Director. There are no other related parties.

## ***T. SPIRITUAL WORLD LIMITED***

11. Earning Per Share:

			<b>As at 30.06.05</b>	<b>As at 30.06.04</b>
a.	Profit / (Loss) after tax	Rs.	1,08,08,997	74,11,649
b.	Weighted average number of Equity shares for Basic EPS	Nos.	10,00,10,000	10,00,10,000
c.	Nominal value of Equity shares	Rs.	2.00	2.00
d.	Earning pershare(Basic)&(Diluted)	Rs.	0.11	0.07

**(B) NOTES ON ACCOUNTS:**

	Current Year	Previous Year
1. a) Guarantee given by Bank	Nil	Nil
b) Contingent Liabilities not provided for	Nil	Nil

2. The Company is developing software for marketing in domestic markets. Out of several software projects under development at the commencement of the financial year 2004-2005. The company has completed some projects and sold/delivered the same, the cost of which has been taken to the profit and loss account. Since the revenue generation begins after the completion of the software projects / products, the company is of the view that development expenditure on the unfinished / incompletd software should be treated as part of inventory under the head 'Software Projects under Development'

	CURRENT YEAR	PREVIOUS YEAR
	AMOUNT (RS.)	AMOUNT (RS.)
Software Sales	539,233,052	524,693,895
Purchase	503,781,619	502,376,985
Closing Stock:		
Finished Goods	70,731,520	66,203,170
Work in Progress	27,354,392	25,274,580

4. REMUNERATION TO AUDITORS:

a) Audit fee	10,000	7,500
b) As advisor, or in any other capacity in respect of		
i) Taxation matters	Nil	Nil

## ***T. SPIRITUAL WORLD LIMITED***

ii) Company Law matters & certifications	27,000	27,000
5. REMUNERATION TO DIRECTORS	72,000	72,000
6. Deferred Tax: The break-up of net deferred tax liability as on 30th June, 2005 is as under:		
Particulars		Deferred Tax Liability
Difference between book and Tax Depreciation		Rs.(16,54,649)/-
7. Paise have been rounded off to the nearest rupee.		
8. Schedule A to J from an integral part of Balance Sheet and Profit & Loss Account.		
9. Previous year figures have re grouped or rearranged wherever necessary.		

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As per our Report of even date

For R. K. Doshi & Associates  
(Chartered Accountants)

For T. Spiritual World Limited

R. K. Doshi  
(Proprietor)

B. Singh  
(Whole Time Director)

A. K. Jain  
(Director)

S. Srivastava  
(Company Secretary)

Place: Kolkata

Date: 29<sup>th</sup> August 2005

## ***T. SPIRITUAL WORLD LIMITED***

### **BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No. 40796                      State Code 21                      Balance Sheet Dt. 30 June, 2005.

II. Capital Raised During the Year (Amount in Rs. Thousands)

Public Issue	Nil	Right Issue	Nil
Private Placement	Nil	Bonus Issue	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

<b>Total Liabilities</b>	<b>240,792</b>	<b>Total Assets</b>	<b>240,792</b>
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**Sources of Funds.**

**Applications of Funds**

Paid-up Capital	200,020	Net Fixed Assets	10,478
Reserves and Surplus	35,656	Currents Assets	204,989
Current Liabilities	5,116	Investments	25,325

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	539,964	Total Expenditure	518,295
Profit before tax	14,473	Profit after tax	10,809
Earning per share (Rs.)	0.11	Dividend Rate (%)	Nil

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms)

Item Code no. (ITC Code)                      852590

Product Description                      Software Product/Services

For R. K. Doshi & Associates

For T. Spiritual World Limited

*(Chartered Accountants)*

R. K. Doshi

B. Singh

A. K. Jain

(Proprietor)

(Whole Time Director)

(Director)

Place: Kolkata

S. Srivastava

Date: 29<sup>th</sup> August 2005

(Company Secretary)

## *T. SPIRITUAL WORLD LIMITED*

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30<sup>th</sup> JUNE, 2005

(Pursuant to the Listing Agreement Clause 32 with the Stock Exchange)

	(Amount in Rs.)	
	2004-05	2003-04
<b>(A) Cash Flow From Operating Activities</b>		
Net Profit before Tax as per P&L Account after adjustments	1,44,73,277	70,73,366
Adjusted for		
Misc Income	1,06,790	-1,45,670
Interest Income	6,24,531	-5,28,475
Depreciation	59,71,365	44,56,484
<b>Operating Profit Before Working Capital Changes</b>	<b>1,97,13,322</b>	<b>1,08,55,705</b>
Adjusted for		
Finished Goods	-45,28,350	-47,70,960
Work in Progress	-2079812	-26,40,030
Sundry Debtors	-6,30,871	-42,66,804
Loans & Advances	-42,65,322	1,56,27,490
Current Liabilities	2,19,269	4,07,540
<b>Cash Generated From Operations</b>	<b>84,28,236</b>	<b>43,57,236</b>
Payment of Tax	-25,99,462	-58,49,486
Payment of Dividend	-	-1,01,54,140
<b>Net Cash Inflow/Outflow From Operations</b>	<b>58,28,774</b>	<b>-7,90,685</b>
<b>(B) Cash Flow From Investing Activities</b>		
Purchases of Fixed Assets	-19,85,761	0
Misc Income	1,06,790	1,45,670
Interest Income	6,24,531	5,28,475
<b>Net Cash Flow From Purchasing Activities (B)</b>	<b>-12,54,440</b>	<b>6,74,145</b>
<b>(C) Cash Flow From Financing Activities</b>	<b>NIL</b>	<b>NIL</b>
<b>Net Cash Increase in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>45,74,334</b>	<b>-1,16,540</b>
Cash & Cash Equivalents at the Beginning of the Year	2,60,741	3,77,281
Cash & Cash Equivalents at the End of the Year	48,35,075	2,60,741

## ***T. SPIRITUAL WORLD LIMITED***

As per our Report of even date

For R. K. Doshi & Associates

*(Chartered Accountants)*

R. K. Doshi

*(Proprietor)*

Place: Kolkata

Date: 29<sup>th</sup> August 2005

For T. Spiritual World Limited

B. Singh

*(Whole Time Director)*

A. K. Jain

*(Director)*

S. Srivastava

*(Company Secretary)*

### **AUDITORS' CERTIFICATE**

We have examined the above cash flow statement of the company for the year ended 30<sup>th</sup> June 2005. The statement has been prepared by the company in accordance with the requirements of Clause 32 of Listing Agreement with various stock exchanges and is based on and in agreement with the corresponding Balance Sheet of the Company covered by our report of 29<sup>th</sup> August, 2005 to the members of the company.

For R. K. Doshi & Associates

*(Chartered Accountants)*

R. K. Doshi

*(Proprietor)*

Place: Kolkata

Date: 29<sup>th</sup> August 2005

# T. SPIRITUAL WORLD LIMITED



19<sup>th</sup> ANNUAL REPORT  
2004-2005